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Nova Scotia

ANNUAL REPORT

Department of Consumer Affairs

90-06144/

Nova Scotia

His Honour
The Honourable
Lloyd R. Crouse, P.C.
Lieutenant-Governor
Province of Nova Scotia

May It Please Your Honour:

I have the honour to present to you the Annual Report of the Department of Consumer Affairs for the fiscal year ending March 31, 1989.

Respectfully submitted,

R. Colin D. Stewart

R. Colin D. Stewart
Minister

Nova Scotia

The Honourable R. Colin D. Stewart
Minister of Consumer Affairs
Province of Nova Scotia
Halifax, Nova Scotia

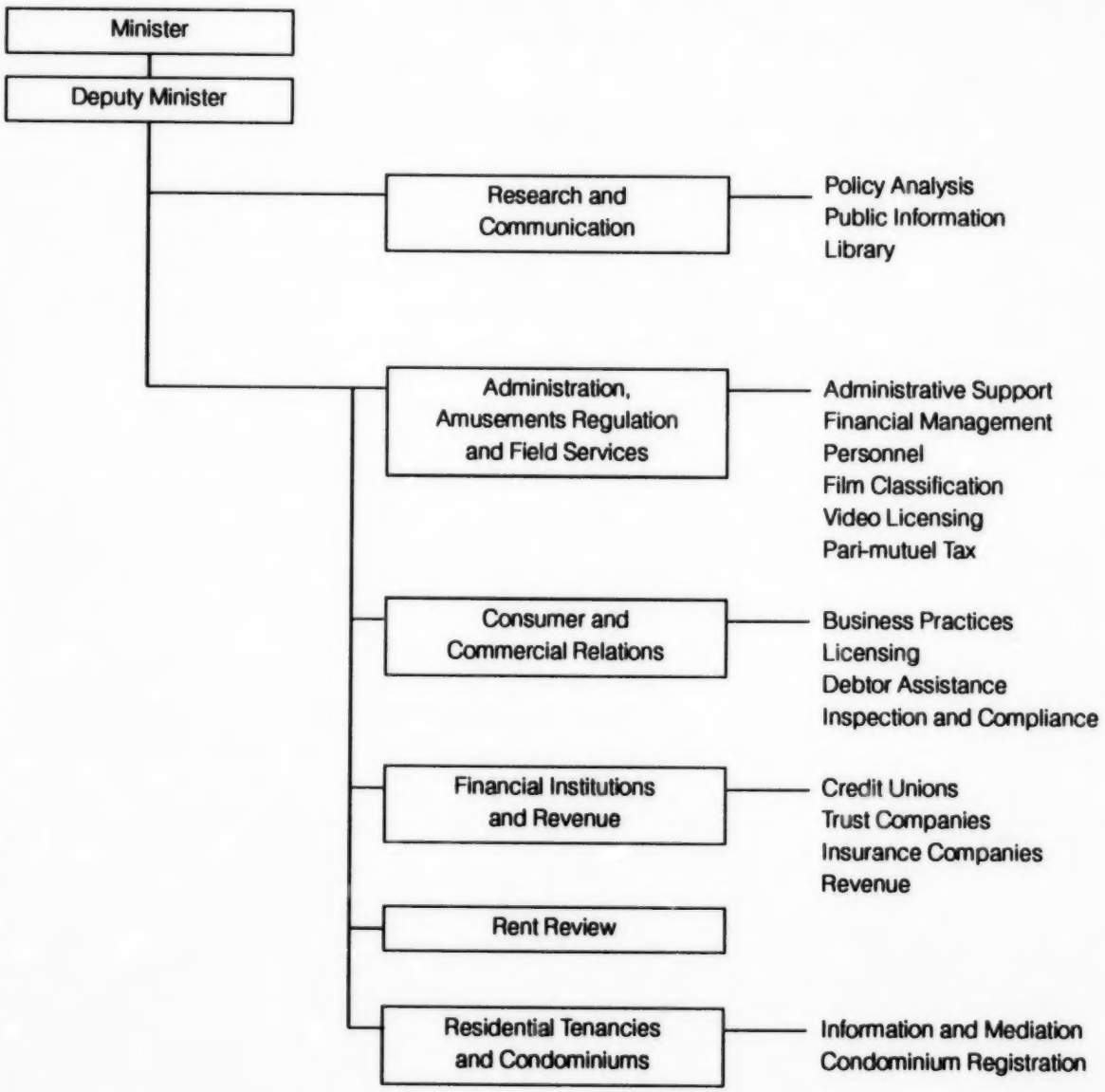
Sir:

I take pleasure in presenting to you a report of the activities of the Department of Consumer Affairs for the year ending March 31, 1989.

Respectfully submitted,

Cathy MacNutt
Deputy Minister

NOVA SCOTIA DEPARTMENT OF CONSUMER AFFAIRS



ACTS ADMINISTERED BY THE DEPARTMENT OF CONSUMER AFFAIRS

The Cemetery and Funeral Services Act
The Collection Agencies Act
The Condominium Act
The Consumer Creditors Conduct Act
The Consumer Protection Act
The Consumer Reporting Act
The Consumer Services Act
The Credit Union Act
The Direct Sellers' Licensing and Regulation Act
The Embalmers and Funeral Directors Act
The Instalment Payment Contracts Act
The Insurance Act
The Insurance Premiums Tax Act
The Loan Companies Inspection Act
The Mortgage Brokers and Lenders Registration Act
The Mutual Insurance Companies Act
Part X of the Bankruptcy Act (Federal)
The Public Accountants Act
The Real Estate Brokers' Licensing Act
The Rent Review Act
The Rental Property Conversion Act
The Residential Tenancies Act
The Tax Rebate Discounting Act (Federal)
The Theatres and Amusements Act
The Trust Companies Act
The Unconscionable Transactions Relief Act

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THE DEPARTMENT OF CONSUMER AFFAIRS

Streamlined for the 1990s

The Department of Consumer Affairs has a mandate to promote fairness and integrity in the marketplace. This mandate is fulfilled by the department through mediation, intervention, and, where necessary, regulation.

Since the department was established in 1975, it has been assigned additional responsibilities that were accommodated within the department's existing structure on an ad-hoc basis. Through the implementation of a long-range systems plan and the program planning process, it became clear that the department should be restructured. During the 1988-89 fiscal year, the department began a reorganization that will continue into the 1989-90 fiscal year.

The department has been streamlined into five major divisions:

> Financial Institutions and Revenue

> Consumer and Commercial Relations

> Residential Tenancies and Condominiums

> Rent Review

> Administration, Amusements Regulation and Field Services

Before the reorganization, certain regional offices were staffed by consumer counsellors, and others by residential tenancy officers, neither of whom was trained to deliver the other's programs. Regional staff have received training in recent years, so that a full slate of services is now available at each regional office. This means that the public outside the Halifax/Dartmouth area has the same services available to them at our nine regional offices.

Changes have also taken place to help alleviate drastic fluctuations in the department's workload. One such change was the implementation of anniversary date licensing instead of a specific date for each statute.

Throughout the past year, departmental staff have participated in a federal-provincial Task Force on Consumer Education and Plain Language, which is focusing on the need for understandable language in documents used by consumers, and on the development of an economic life skills course for young people. The department published a new booklet entitled *Serving You — Who We Are and What We Do*, which is distributed throughout our offices and at public displays. Staff participated in public displays held during the year in conjunction with such events as Law Day, Small Business Week, and the Women's Network Trade Fair.

The department is actively involved in the development of industry councils, and works continuously to involve people employed in these industries in the development of legislative and regulatory proposals. The department provides financial support in the form of a $3,500 grant to assist the Nova Scotia branch of the Consumers Association of Canada in its activities. The department looks forward to working with business and consumer groups as we enter the 1990s, to ensure that stability and integrity in the marketplace is maintained.

Departmental Initiatives

The department's reorganization proposal was approved on May 10, 1988, and the first step in the process was with respect to the licensing and revenue functions, which involved Consumer Services, Insurance, Credit Unions/Trust Companies and Amusements Regulation divisions. Phase two, with respect to the Amusements Regulation (excluding revenue) and Administration divisions will be completed in the next fiscal year. Personnel in the regional offices have been trained through the year, however, to do some local amusements inspection work.

During the 1988-89 fiscal year, the department put forward legislative amendments to both the Credit Union Act and the Condominium Act. The department remains committed to updating and revising our legislation to ensure that it remains current and responsive to changing market trends.

The Department of Consumer Affairs also co-sponsored a CBC Television pilot program, *Money Penny*, a program directed at the spending habits of young people and designed to help them get better value for their money. In addition to major financial support, the department assisted with suggestions for product testing, analyzing commercials, and dealing with common consumer complaints. The *Money Penny* pilot was developed to promote a full-season series, and additional sponsors are being sought across Canada to assist in this venture. The new series, which will be called *Street Cents*, should be on national television in the 1989-90 fiscal year and will continue to be produced in Halifax.

FINANCIAL INSTITUTIONS AND REVENUE DIVISION

Regulating Financial Institutions

This division resulted from a need to coordinate the activities of the department relating to the regulation of financial institutions such as credit unions, which operate solely within the province, and trust and insurance companies, which generally operate across the country. The division also has responsibility for the revenue function of the department. The division has three major functional sections: Corporate Registration and Policy, Inspection, and Revenue Collection and Accounting.

The work of the **Corporate Registration and Policy** section generally follows from the legislative responsibilities of the Registrar of Credit Unions, the Superintendent of Trust Companies, and the Superintendent of Insurance. Division staff liaise on a regular basis with both the Credit Union Central and the Stabilization Fund Board, which is the deposit protection agency for credit unions.

The **Inspections** section of the division has a staff of seven inspectors and a Chief Inspector who carry out the inspection program. Primarily this program is directed to the 100 credit unions operating in the province. The inspections are a comprehensive field examination of all facets of the operation of credit unions and trust companies that are conducted over an average of 10 person-days for each inspection.

The division receives monthly financial reports from all credit unions. These are reviewed for legislative requirements and to monitor the operations of credit unions to identify any developing weaknesses.

The department is the third largest producer of revenue in the Government of Nova Scotia. The responsibility of the **Revenue Collection and Accounting Section** is to ensure that revenue generated from the insurance premiums tax, amusements tax, and a number of licensing statutes administered by the department is collected promptly and accounted for in an appropriate manner.

Overview

At the end of 1988, 100 credit unions were operating in the province with combined assets of $396 million. During the year two credit unions amalgamated with other credit unions, and two credit unions were wound up at the request of their members. Credit unions have enjoyed annual growth in excess of 10 per cent for the past six years, which is indicative of the confidence placed in them by Nova Scotians.

There were five Nova Scotia-incorporated trust companies at the end of 1988. One of these companies was newly incorporated and had not applied for the required certificate to commence business. Three others are small companies that have not yet achieved deposit-taking status. The remaining company has grown rapidly over the two years of its existence; it accepts deposits and is also registered to operate in most other provinces. In addition to these companies, there are about 30 other trust companies operating in the province that are incorporated either federally or in another province.

A total of 106 inspections of financial institutions were completed during 1988, including the four operating trust companies. In addition, 17 follow-up reviews were made to see that corrective measures were in place where earlier inspections had identified deficiencies.

During the 1988-89 fiscal year total departmental revenues were $24.9 million, which was an increase of $2.2 million over the previous year. The major source of revenue is the insurance premiums tax, which accounts for almost 67 per cent of total revenue. The general sources of revenue are set out below. The amounts received are generally consistent from year to year; however condominium fees were down significantly from the previous year. The total for 1988-89 was $71,643, compared to $212,628 in 1987-88. These fees are charged on the basis of new

Revenue	1987-1988 Amount	%	**1988-1989 Amount**	%
Insurance premiums tax	$15,321,480	67.6	**$16,650,670**	**66.7**
Fire Insurance Tax	1,486,176	6.6	**1,636,377**	**6.5**
Cable TV Tax	3,005,938	13.2	**3,618,802**	**14.5**
Theatre Amusements Tax	955,657	4.2	**1,084,454**	**4.3**
Other amusements tax	1,307,546	5.8	**1,202,631**	**4.8**
Pari-mutuel tax	79,279	0.3	**285,749**	**1.2**
License fees	345,135	.5	**398,120**	**1.6**
Condominium fees	212,628	0.9	**71,643**	**0.3**
Other	12,967	0.1	**12,427**	**0.1**
TOTALS	$22,726,806	100.0	**$24,960,873**	**100.0**
Receipts under the Orderly Payment of Debts Program	$1,631,303		**$1,962,551**	

condominium units coming available, and the decrease reflects the slow-down in activity in this area.

During the year a total of $1,962,551 was received in trust under the Orderly Payment of Debts program for distribution to creditors.

Highlights

> During the year all general insurers operating in the province became members of a newly established national consumer protection plan. The plan will provide compensation to Nova Scotians who have claims against an insurance company that has failed. The high point of the plan is that it will provide coverage of up to $200,000 per claim to consumers who have insured with a failed general insurance company. About 150 general insurance companies and about 100 life insurance companies were operating in Nova Scotia at the end of 1988.

New Initiatives

> Prior to the reorganization, revenue activities were fragmented over several divisions. The coordination of these activities within the division began to take place late in 1988 and will continue in 1989.

> During the year major amendments were made to the Credit Union Act that will have the effect of strengthening the equity reserves of credit unions and providing increased protection for the deposits of their members.

> Staff of the division played a major role in the development of an Interdepartmental Report on Financial Institutions, which will form the foundation for future change in trust and insurance legislation.

CONSUMER AND COMMERCIAL RELATIONS DIVISION

Helping Consumers in the Marketplace

As a part of the reorganization process, the Consumer and Commercial Relations Division has been streamlined into four major program areas: Debtor Assistance; Business Practices; Inspection and Compliance; and Licensing. This division also acquired the responsibility for examining and licensing insurance agents.

In a modern society where many consumers rely on credit in their efforts to attain goods or services, unexpected problems often arise that present an extreme financial burden on families or individuals who find themselves unable to meet their financial obligations. Easy access to credit, especially by those under the age of 30, can quickly escalate into major financial difficulty.

In many instances, consumers are referred to the **Debtor Assistance Program** strictly for financial counselling as it relates to budgeting or money management. Where necessary, referrals are made to social agencies, volunteer organizations, or to family members who might provide personal and financial support. If the situation is more serious, and the individual meets the requirements of the Orderly Payment of Debts provisions, a consolidation order will be issued to set out a structured schedule of repayments to all the individual's creditors. The most severe cases are referred to a trustee in bankruptcy.

Under the Orderly Payment of Debts provisions, individuals seeking assistance are required to complete a formal application and commit themselves to paying their outstanding debts over a reasonable period of time according to their income. Creditors are receptive to the program as it provides an opportunity for repayment of monies and for receipt of monies that may otherwise be unavailable to them. When such repayment schedules are arranged through the Orderly Payments of Debts Program, a good deal of financial and personal stress is relieved for the individual. Quite often this program assists in alleviating family and personal trauma and enables consumers to pay their obligations in a very orderly manner, while also providing an opportunity for personal growth.

As consumers in the marketplace become more familiar with assistance available to them through a variety of agencies or private organizations, the demand for assistance, advice, and information through the **Business Practices** section of the division has increased dramatically.

Staff are routinely involved in the mediation of a variety of consumer complaints within the marketplace. Such mediation involves consultation with business and industry representatives at all levels. In many areas of consumer complaints there exists legislative authority that clearly establishes the guidelines under which industry must operate in their dealings with consumers. In instances where no legislative authority exists, staff must rely on a common sense approach to problem solving.

When a consumer presents a concern to this office, staff listen attentively, advise in accordance with established practices, and negotiate as efficiently and tactfully as demanded by the specific type of complaint presented.

An integral part of our service delivery involves working with many community agencies, other government departments, volunteers, and the public at large. As a resource bank for many consumers,a comprehensive level of service must be provided to resolve problems effectively and efficiently. To ensure a high level of service, advice, and mediation, staff must keep abreast of changes in the marketplace caused by the new technologies. Section staff respond to the growing need for consumer education with speaking engagements and mall displays. These contacts enhance consumer awareness of the marketplace and alert consumers to the types of assistance that might be available to them.

The formation of an **Inspection and Compliance** section underlines the department's concern that all firms comply fully with the provisions of the legislation under which they are regulated and that consumers be given protection in the marketplace.

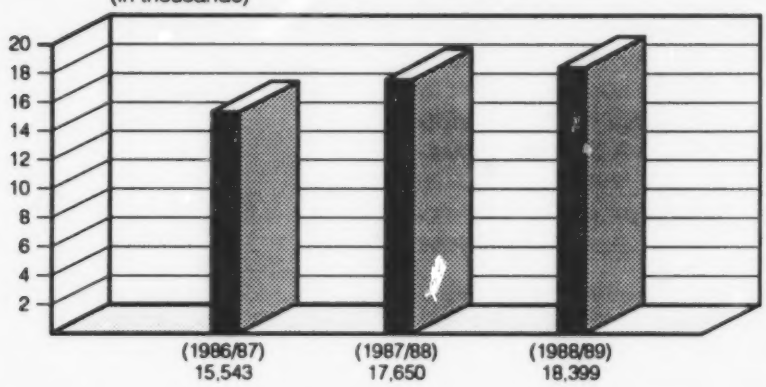
The **Licensing** section administers the licensing provisions of the Cemetery and Funeral Services Act, the Collection Agencies Act, the Consumer Protection Act, the Consumer Reporting Act, the Direct Sellers' Licensing and Regulation Act, the Embalmers and Funeral Directors Act, the Instalment Payment Contracts Act, the Insurance Act, the Mortgage Brokers and Lenders Registration Act, the Real Estate Brokers' Licensing Act, and the Tax Rebate Discounting Act (federal).

Staff in this section receive, process and issue licenses and registrations under these acts, and administer prelicensing examinations under several of them. These acts regulate a broad cross-section of the marketplace and facilitate a significant level of consumer protection as a result of filing and bonding requirements. This section also ensures that the requirements of the Public Accountants Act are maintained.

Overview

Although statistical data indicate a marked decrease in referrals to personal bankruptcy, the number of families seeking financial counselling has remained constant.

Consumer Complaints & Inquiries *
(in thousands)



* Includes both telephone and written complaints and inquiries

Consumer Complaints and Inquiries
Percentage of Complaints by Type April 1, 1988 to March 31, 1989

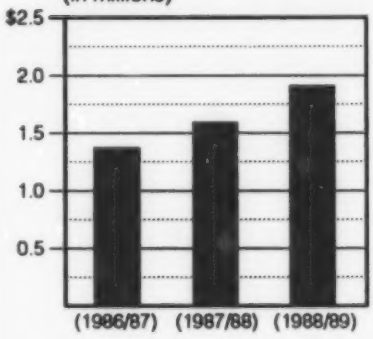
Type of Written Complaint	Number	%
Automobiles	1938	21
Consumer goods and services	1658	18
Contractors	761	8
Mail orders	615	7
Home furnishings, rugs and drapes	390	4
Direct sellers	336	4
Appliances	494	5
Professional services	214	2
Collection agencies	398	4
Consumer loans	258	2
Insurance	635	7
Other	1672	18
TOTAL	9369	100

At present, this department administers approximately 1,388 Orderly Payments of Debts Consolidation Orders, and in the past year $1,950,812 was disbursed to creditors. This figure represents the largest annual volume of revenue collected from consumers since the inception of this program in Nova Scotia in 1970. Staff are continuously involved in consultations with federal authorities, and other provincial departments in an effort to provide optimum service through routine updates or information services.

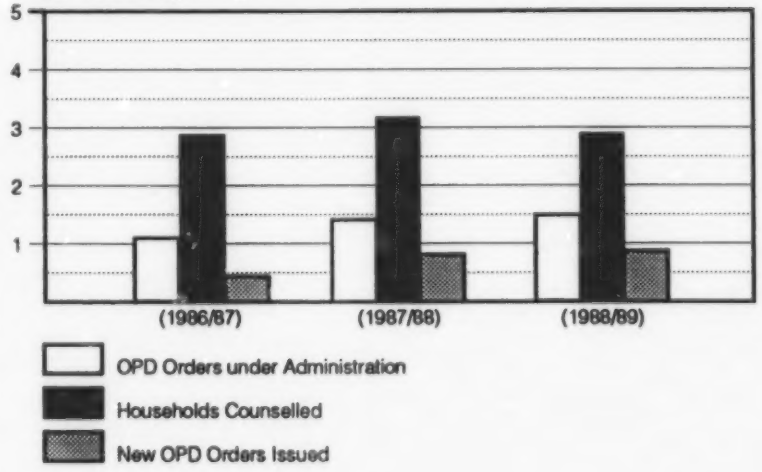
The **Inspection and Compliance** section, with its mandate of enforcement, has expanded its activity over the past year. A total of 216 person-days were spent conducting investigations and audit inspections. Many of these involved cooperation and intervention with other enforcement agencies. These activities resulted in a number of disciplinary hearings and a variety of remedial actions being taken.

Staff of this section conducted several investigations of insurance agents under the Insurance Act with respect to irregular business practices. The section also carried out inspections under the Real Estate Brokers Licensing Act, the Mortgage Brokers and Lenders Registration Act, and the Tax Rebate Discounting Act. A funeral home was inspected under the Embalmers and Funeral Directors Act and the Cemetery and Funeral Services Act. Appropriate action was taken in each case.

Monies Issued to Creditors
(in millions)



Debtor Assistance
April 1, 1986 to March 31, 1989
(in thousands)



Debtor Assistance
April 1, 1988 to March 31, 1989

Households counselled	2,842
Consolidation orders issued	549
Referrals to bankruptcy	334
Consolidation orders in effect	1,388

Some of the cases investigated in 1988-89 are outlined below:

> An investigation of a firm that markets vacuum cleaners under the Direct Sellers Licensing and Regulation Act disclosed numerous contraventions of the act and its regulations. A hearing was held before the Registrar, and the license of the firm was suspended for two weeks.

> A collector was investigated under the Collection Agencies Act after consumers complained about his abusive and irregular collection practices. The investigation included a thorough review of the complaints filed against the collector from the date he was first licensed and a summary of previous disciplinary actions taken. A hearing was held before the Registrar, and the license of the collector was suspended for a period of time. In addition, the license of his employer, a collection agency, was also suspended for a period of time for its failure to take responsibility for his actions.

> The department was advised of irregular administration of a trust account by an insurance agency that sold both life and general insurance. The ensuing investigation revealed that trust irregularities had in fact occurred. As a result, the general insurance licenses of the firm and its agent were revoked. The matter was referred to the Attorney General's Department for further investigation, and the life insurance licenses of the agency and the agent were suspended pending the outcome of that investigation.

> The Inspection section investigated the activities of a life insurance agent whose license was terminated by his sponsor for cause. The investigation revealed that the agent was involved in unethical business practices respecting the misappropriation of insurance premiums and policy irregularities. The entire matter has been referred to the Attorney General's Department for further investigation.

> A life insurance agent whose actions in remitting claim monies to a consumer were highly questionable was investigated. The agent had

arranged for a beneficiary to lend him one-half of a claim as a loan under unusual circumstances. As a result of the investigation, the agent returned the full amount of the loan and accrued interest to the beneficiary. The investigative report was submitted to the Deputy Superintendent of Insurance who ruled that, while the agent's actions did not contravene the provisions of the Insurance Act, they were most irregular and unacceptable. He was issued a letter of reprimand.

Person-days Audit Inspections/Investigations

1987-88	164
1988-89	216

Person-days Special Meetings and Hearings

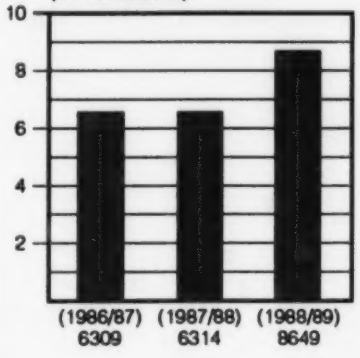
1987-88	143
1988-89	110

Licensing Section Statistical Summary

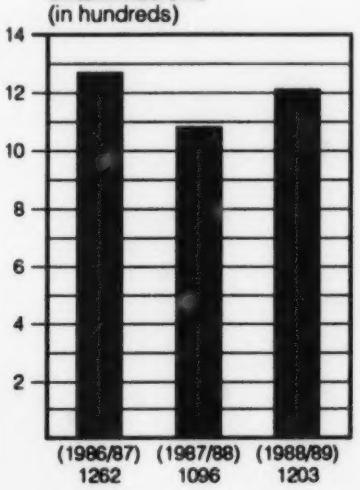
Licenses Issued	1986-87	1987-88	1988-89
The Cemetery and Funeral Services Act	221	221	160
The Collection Agencies Act	134	124	223
The Consumer Protection Act	118	128	171
The Consumer Reporting Act	13	13	13
The Direct Sellers Licensing and Regulation Act	2,474	2,741	2,823
The Embalmers and Funeral Directors Act	372	380	454
The Instalment Payment Contracts Act	112	108	94
The Insurance Act*	*3,773	*2,950	2,182
The Mortgage Brokers and Lenders Act	239	242	212
The Real Estate Brokers Licensing Act	2,618	2,349	2,315
The Tax Rebate Discounting Act	8	8	2
TOTAL	6,309	6,314	8,649

*Not added in total prior to 1988-89.

Licenses Issued
(in thousands)



Examinations
(in hundreds)



Highlights

> In June 1988, responsibility for the administration of the licensing provisions of the Insurance Act was assigned to the Licensing section. Since that time, numerous changes in the licensing procedures under the act have been implemented, including a computer-assisted licensing renewal process, new application forms, and changes in the examination process.

> During the last fiscal period the first year of the real estate assurance fund has expired. This initiative replaces penal bonds for brokers and salespersons and, under the general supervision of the Superintendent of Real Estate, is operated entirely by industry. All appearances indicate that this process is working very well.

New Initiatives

> Staff of this division have been involved in drafting new regulations under the Consumer Protection Act to address new developments in lending and advertising. This project was in the latter stages of completion at fiscal year-end.

> Amendments to the Insurance Act, designed to resolve some of the more pressing administrative matters relating to the licensing and enforcement activities under the act, were introduced in the 1989 sitting of the legislature. Cooperation with the insurance industry has been an important element of the department's efforts to modernize its legislation, so in preparing this bill, three industry committees representing life and general insurance agents and adjusters were struck to obtain input on the issues to be addressed. The Director of Consumer and Commercial Relations and the Senior Licensing Officer sat on each subcommittee and coordinated the efforts of each group.

The members of these committees who contributed their time freely to review insurance legislation and regulatory proposals were:

> *General Insurance Legislative Review Committee:* Klaus Wuerr, David Cosman, Stan Brechin, Stuart MacLeod, Jr., Al Ferguson, Gerry Walsh, Alex Momberquette

> *Life Insurance Legislative Review Committee:* J.E. Gawley, Terry Ball, Peter Snow, J. Dickson Crawford

> *Adjusters Legislative Review Committee:* Barry Finnamore, John Bennett

RESIDENTIAL TENANCIES AND CONDOMINIUMS DIVISION

Mediating between Landlord and Tenant

The Residential Tenancies Division offers information to members of the public seeking advice on the rights and obligations of landlords and tenants of residential premises. Typical inquiries include required periods of notice to quit, calculation of interest earned on security deposits, and remedies available to the parties in conflict.

Residential tenancy officers first attempt to mediate formal, written complaints. If a dispute cannot be resolved, the matter may be referred to a board for a hearing by a county court clerk. A $5.00 fee is charged for each county court application, and both are forwarded to the appropriate county court for referral back to the Residential Tenancies Board.

After ensuring both parties have been adequately served a notice of the hearing, a board hears the evidence and prepares a report and recommendation to the county court. Either party may file a notice of objection in county court within seven business days of the report being signed; otherwise the board's decision stands.

The **Registry of Condominiums** receives, reviews, and approves documents submitted on behalf of condominium project developers. The Condominium Act requires submission of detailed information concerning such items as the title to the property, building specifications, and the rules of occupancy of the units and common elements,including the percentage contribution of unit owners to the common expenses. Detailed survey, architectural, mechanical, and electrical plans must be provided prior to registration of a condominium.

This division is also responsible for administration of the Rental Property Conversion Act. The act and its regulations prohibit the conversion of rental property to any other use, except where conversion to a condominium is proposed by a non-profit community group to provide housing for people with special needs.

Condominium properties are exempt from the Rental Property Conversion Act for a period of two years from the date of registration. This helps the developer to recover some of the ongoing expenses of the project by leasing in the initial two-year period.

Overview

During the past year, the nine offices throughout the province responded to 42,143 inquiries received by telephone, correspondence, and office visits. The successful mediation rate in 1988-89 was 62.8 per cent of the 4,968 formal complaints received. (See table and figures below.) Of these complaints, 1,794 were referred to be heard by boards.

Throughout the year staff participated in various presentations to groups including the Halifax/Dartmouth Real Estate Board, Investment Property Owners Association of Nova Scotia, and high school classes and provided assistance to the department at mall displays and other public information sessions.

The **Registrar of Condominiums** approved nine registrations during 1988-89 creating a total of 410 units. Revenue of $71,701 was received in registration fees. Twelve proposed registrations representing 341 units were pending at year-end.

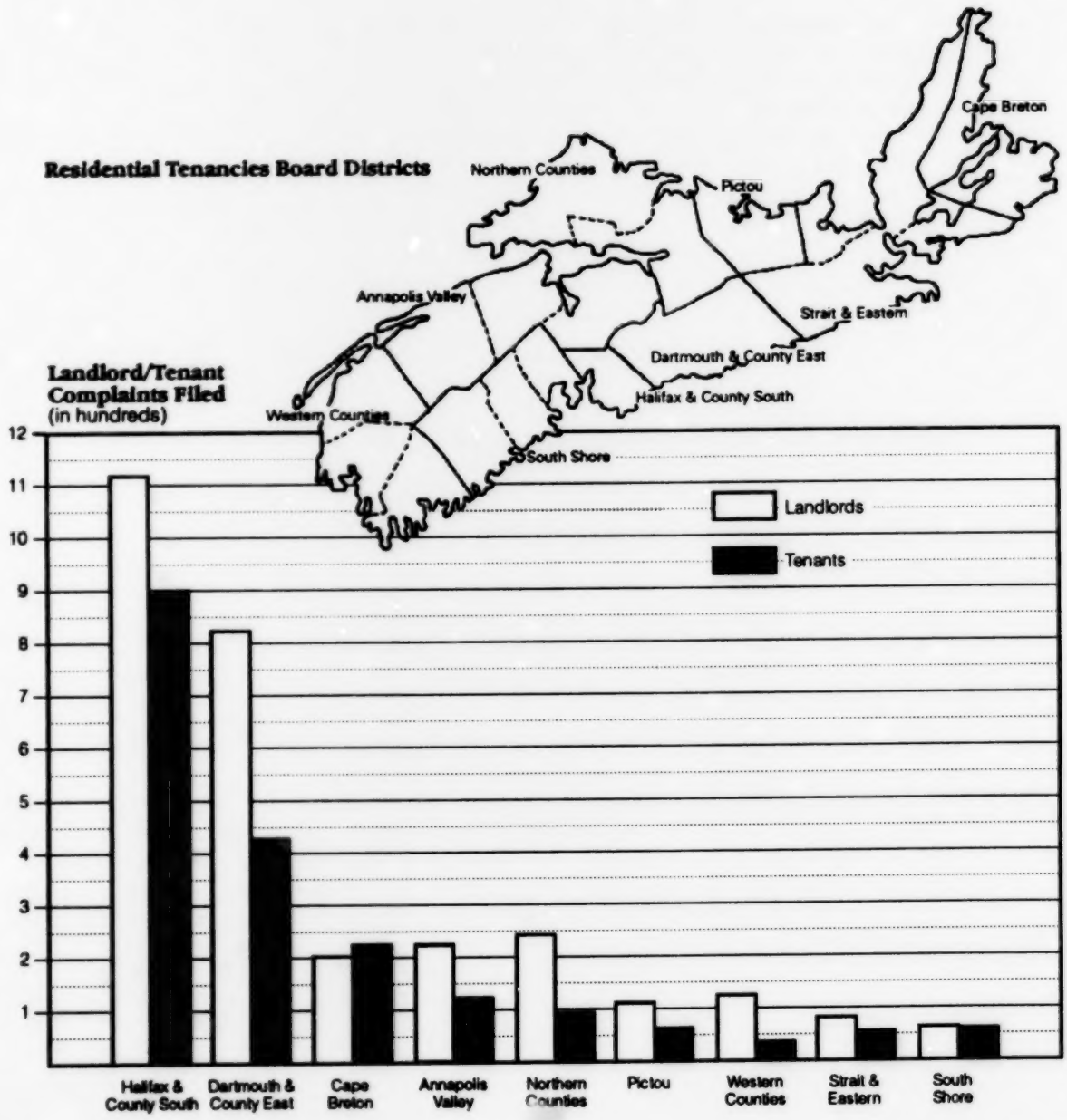
Condominium development has been concentrated in the Halifax/Dartmouth metro area. Eight projects, containing a total of 105 units, have been registered in counties other than Halifax County. The majority of registered units are residential; however, development of 400 commercial units is included in proposed registrations.

Board	Written Complaints
Halifax and County West	2,033
Dartmouth & County East	1,241
Cape Breton & Victoria Counties	419
Annapolis Valley	352
Western Counties	165
Northern Counties	330
Pictou County	173
South Shore	125
Strait & Eastern Counties	130
TOTAL	4,968

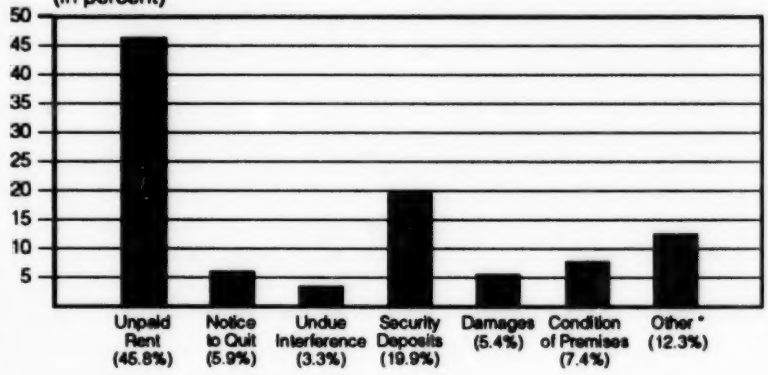
Complaints Mediated: 3,121 (62.8%)

Residential Tenancies Inquiries by Regional Board

	Telephone	Correspondence	Visit
Halifax & County West	13,489	192	2,643
Dartmouth & County East	3,706	0	1,997
Cape Breton & Victoria Counties	3,964	56	1,605
Annapolis Valley	2,590	144	843
Western Counties	2,403	15	1,521
Northern Counties	2,001	36	842
Pictou County	1,419	0	384
South Shore	832	67	250
Strait & Eastern Counties	827	1	316
TOTALS	31,231	511	10,401
Total Inquiries:	**42,143**		


Residential Tenancies Board Districts
Northern Counties
Pictou
Cape Breton
Annapolis Valley
Strait & Eastern
Dartmouth & County East
Halifax & County South
Western Counties
South Shore
Landlord/Tenant Complaints Filed
(in hundreds)
Landlords
Tenants
12
11
10
9
8
7
6
5
4
3
2
1
Halifax & County South
Dartmouth & County East
Cape Breton
Annapolis Valley
Northern Counties
Pictou
Western Counties
Strait & Eastern
South Shore

Complaints by Type
(in percent)



* Other includes:

Rent Overpayment Rebates	1.8%	Rent Increase	0.6%
Barred Access	0.4%	Leases	1.5%
Entry of Premises	0.3%	Rent Review	0.1%
Deletion of Service	1.9%	Other	5.7%

Condominium Registrations

Year (1972-89)	Registrations	Residential Units	Commercial Units
72-73	1	91	
73-74	2	169	
74-75	6	570	
75-76	3	327	
76-77	2	151	
77-78	4	110	
78-79	4	154	
79-80	0	0	
80-81	0	0	
81-82	8	544	4
82-83	5	130	1
83-84	7	217	0
84-85	13	230	0
85-86	32	665	20
86-87	29	618	57
87-88	31	1,029	2
88-89	9	410	2
TOTAL	156	5,415	86

Highlights

> Amendments to the Condominium Act, passed on May 25, 1988, together with subsequent regulations, imposed a duty on corporations to file with the Registrar, an auditors' report and copies of the financial statements. At year-end, 22 such filings had been received.

RENT REVIEW DIVISION

Fairness in the Rental Market

In 1975 the Rent Review Act established the Rent Review Commission to provide for the review of rents.

The Rent Review Division has a mandate to provide for the review of rents and offer assistance to the general public with respect to renting, either as a tenant or landlord, within the province of Nova Scotia. All requests for rent increases for residential units must be filed with the division three calendar years after the year the unit was first occupied by a tenant. From that time on, any rent increase is subject to the rules and regulations of the rent review program.

By September 1 each year the government sets the percentage increase guideline for the next calendar year. Any rental increase within the guideline must be filed with the division, but it does not require a review. Any increase in excess of the guideline is reviewed by an officer and a written decision is rendered.

Division staff currently consists of a director, a manager, four program administration officers, a chief data clerk, and eight support staff. There has been a considerable decrease in staff, reflecting the reduction in workload over the past several years. The Rent Review Commission currently consists of a chairman, a secretary, and 20 part-time Commission members. The Commission is the appeal body for rent review and acts as an administrative tribunal, ensuring that the provisions of the act and the regulations are applied fairly to landlord and tenants.

The rent review process is initiated by landlords through the issuance and filing of a Notice of Proposed Rent Increase form. To support any increase over the guideline, landlords must also complete a Property and Financial Information form, and tenants are given the opportunity to review the information and offer comments or rebuttal.

A rent review officer will make a written decision, which is sent to the landlord and tenant(s). Either party may request a review by the Rent Review Commission of the officer's decision within 15 days.

Overview

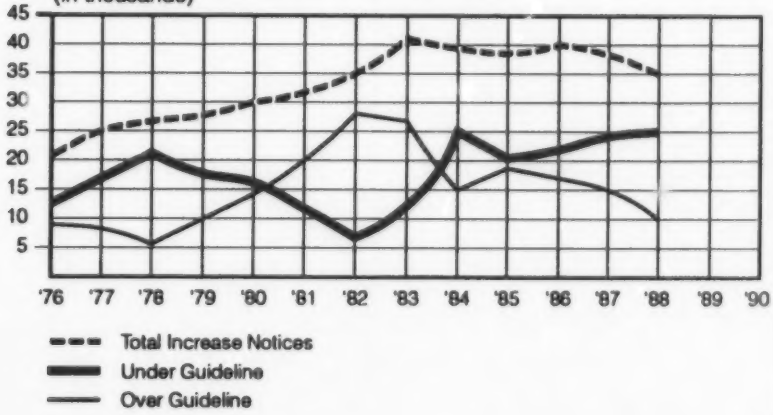
The total number of rent increase applications processed during the 1988 calender year was 34,492. Of these, 9,226 or 26.75 per cent were requests for increases in excess of the 3 per cent guideline. This represents a decrease of 36.80 per cent over the 1987 figure of 14,599. Note that these statistics relate to the calendar year to reflect the application of the legislation.

In total, 1,423 decisions were rendered by the rent review officers in 1988. Each decision will generally affect the total residential units contained within a building. Seventy-six or 5.34 per cent of the decisions rendered were appealed to the Commission. The number of decisions appealed over the past few years has been decreasing at an accelerated rate compared to the decreasing number of applications for increases in excess of the guideline. Familiarity, by landlords and tenants, with the legislation and process has also contributed to the decrease in decision appeals.

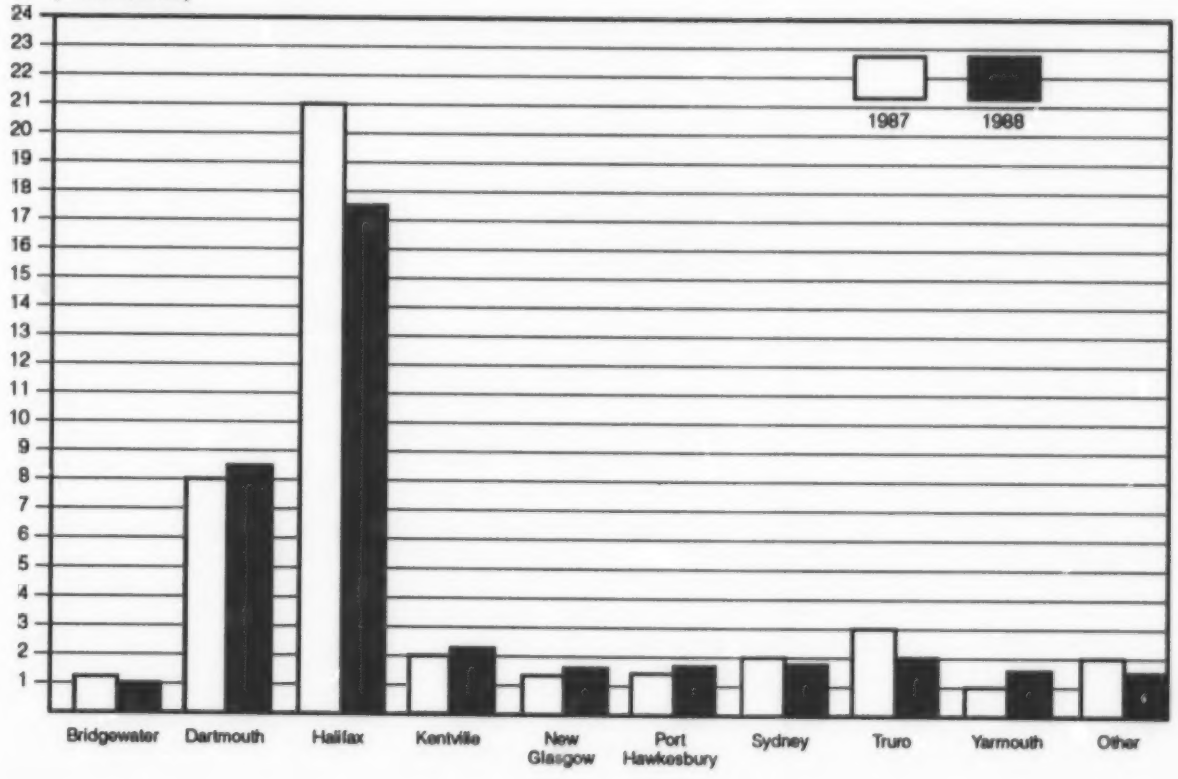
During the year 1988, 15,011 phone calls were received and handled by Rent Review division staff. This represents a 23.58 per cent decrease from 1987, which is to be expected owing to the decrease both in total applications and in applications exceeding the guideline.

Throughout the year, division staff spoke at several training sessions for the Nova Scotia Real Estate Industry. Staff also participated in the annual seminar/convention of the Investment Property Owners Association of Nova Scotia (IPOANS) as well as the annual seminar of the Cape Breton branch IPOANS.

Rent Increase Notices Since Inception
(in thousands)



Rent Review Applications Received for Major Centres
1987 / 1988 Comparison
(in thousands)



Applications Received, Calender Years 1987 and 1988

Applications (Units)	1987 Number	1987 %	1988 Number	1988 %
Over annual guideline	14,599	37.80	9,226	26.75
Under annual guideline	24,027	62.20	25,266	73.25
Total applications	38,626	100.00	34,492	100.00

Comparison of Applications Received Calender Years 1987 and 1988

	1987	1988	%Increase
Total applications	38,626	34,492	-10.70%
Over guideline	14,599	9,226	-36.80%
Under guideline	24,027	25,266	+ 5.16%
Decisions (properties) rendered by Residential Tenancy Officer	1,999	1,423	-28.81%
Requests for decision review to Rent Review Commission	157	76	-51.59%
Percentage of officers' decisions appealed	7.85%	5.34%	
Phone calls received	19,638	15,011	-23.56%
Miscellaneous applications	1,860	1,185	-36.29%

The above figures include the 1,185 applications for exempt units, on which decisions have to be rendered.

Number of Applications Received by Major Centres* in 1987 and 1988

Area	1987	1988	% Increase
Halifax	21,256	17,100	-15.26%
Dartmouth	8,020	8,279	+ 3.23%
Truro	2,528	1,955	-22.67%
New Glasgow	405	678	+67.41%
Port Hawkesbury	503	818	+62.62%
Sydney	1,512	1,383	- 8.53%
Kentville	2,275	2,334	+ 2.59%
Bridgewater	1,240	1,077	-13.15%
Yarmouth	887	868	- 2.14%
TOTALS	38,626	34,492	-10.70%

*Figures include applications that were both over and under the guideline for the area indicated and include the surrounding municipalities and counties.

ADMINISTRATION, AMUSEMENTS REGULATION AND FIELD SERVICES DIVISION

The **Administration** section is at the centre of the department's operations as it provides all divisions with a number of critical services. Budget preparation and control, economical use of space and equipment, liaison with other government departments such as the Department of Government Services and the Civil Service Commission all occur within the day-to-day activities of the division. In addition, the division oversees the general management and administration of the regional offices. In order to carry out these activities, the Administration Section is divided into three work units: Support Services, Computer Services, and Field Services.

The *Support Services* unit provides human resource management and financial support services to ensure the efficient operation of the department. The preparation of the department's annual estimates as well as the general management of the departmental budget are duties of staff. They also ensure that proper accounting and other financial policies and procedures are followed and are responsible for acquisition of equipment, furniture, and other office supplies.

Human resource management is a key function of the Support Services unit: the efficient management of a department's human resources is integral to the overall success of the department. Conducting staffing competitions, monitoring and identifying staff training needs, and developing internal personnel policies are activities performed by the unit daily.

The *Computer Services* unit of the division is responsible for the day-to-day operations of the departmental DEC PDP 11/73 minicomputer. The applications run on this machine involve the Orderly Payment of Debts accounting system, as well as the licensing program for the various regulated industries. The department during the last few years has also acquired a number of microcomputers to streamline the delivery of departmental programs. The initial development of the departmental Long Range Systems Plan (L.R.S.P.), and the updating of the L.R.S.P. on a regular basis, is also the responsibility of the staff of this work unit.

The **Field Services** section of the division is responsible for delivery of the departmental programs through the network of regional offices that are strategically located throughout the province. The range of programs delivered by the regional offices covers Credit Union Inspection (Sydney);

Amusements Regulation, i.e., amusement tax collection and inspection of amusement events as well as video outlets; Residential Tenancies; Debtor Assistance; Consumer Complaints; and inspection of licensees under the regulatory statutes administered by the Consumer and Commercial Relations Division of the department. In summary, all programs and services are made available at each field office.

Over the past several years the department has provided training in the various program areas to ensure that staff in the field offices can give effective regional services. The Regional Manager in Cape Breton is responsible for the Port Hawkesbury and Sydney offices, while the Field Services Manager located in Halifax is responsible for regional offices in mainland Nova Scotia. Each year the department sponsors a training and development conference that enables the staff in the field to meet with those at head office.

Legislation providing for **Amusements Regulation** was first enacted in 1911 with the Theatres and Amusements Act. Today this section is responsible for four basic tasks assigned by legislation:

> licensing places of amusement

> inspecting licensed premises

> collecting amusement taxes and admission tickets

> providing a classification service for all film: 35mm, 16mm and video cassettes.

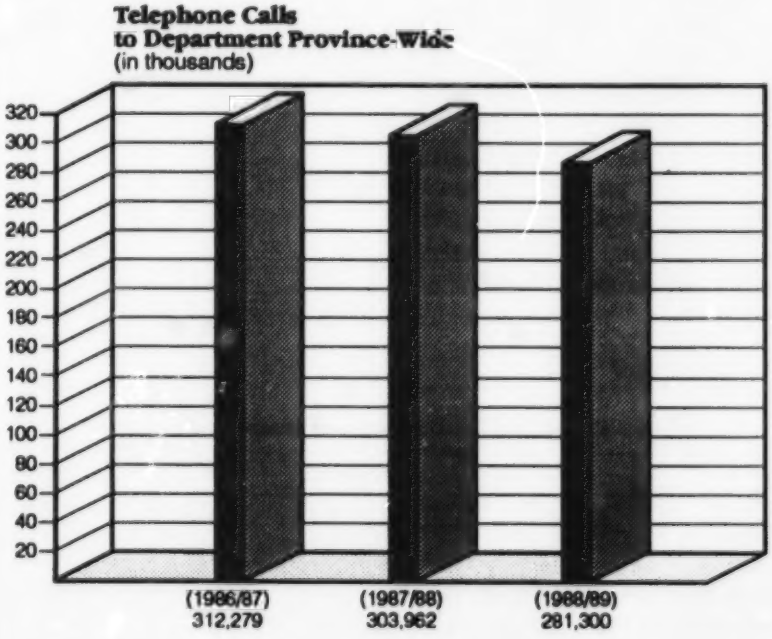
Two inspectors work exclusively in compliance and amusement tax remittance in Halifax-Dartmouth under the Manager, Field Services and Amusements, and there is one inspector in the Sydney Field Office.

The Amusements Regulation Board is comprised of a full-time chairperson and part-time board members. The board classifies all film, including video cassettes, for sale, rent, or exhibition in Nova Scotia.

Overview

Field Offices
Port Hawkesbury
Sydney
Yarmouth
Kentville
New Glasgow
Truro
Bridgewater
Antigonish
Dartmouth

Regional Office Activities



Attendance by Type of Event

Type of Event	1986-87	1987-88	1988-89
Theatres (movie and live)	2,145,507	2,183,339	**2,197,054**
Itinerant houses	371,262	470,032	**400,747**
Lounges, beverage rooms & cabarets	1,623,474	1,536,896	**1,597,316**
Boxing, hockey, wrestling and other professional sports	188,775	332,995	**368,827**
Horse racing	49,411	47,893	**28,748**
Other events	706,651	948,321	**1,008,552**
TOTAL	5,085,080	5,519,476	**5,601,044**

The slight increase in theatre attendance results from improved screening facilities in new and commodious theatres and was achieved despite ticket price increases. Attendance at sporting events is also significantly increased. Decline in attendance at horse racing reflects a reduction in the number of tracks in the province.

Video retail outlet licenses issued were:

1986-87	1987-88	1988-89
914	1,072	**974**

The number of video outlets declined in the past year as a number of outlets amalgamated and a number of small general stores stopped renting or selling video cassettes.

The last year has proved to be extremely active as the Amusements Regulation Board adjusts to meet new challenges and contemporary issues. This increased activity is particularly evident in the role of film and video classification.

Film Classification

Type of Film	1986-87	1987-88	1988-89
35mm			
General	23	14	22
Adult	119	136	60
Restricted	67	56	144
Rejected	0	0	0
TOTAL	209	206	226
16mm			
General	3	2	2
Adult	2	3	4
Restricted	0	2	2
Rejected	0	0	0
TOTAL	5	7	8
Video			
General	105	291	278
Adult	373	913	641
Restricted	388	925	1,116
Rejected	10	35	35
TOTAL	876	2,164	2,070

Origin of 35mm films classified

Country	1986-87	1987-88	1988-89
United States	140	133	128
Great Britain	13	10	18
Canada	10	13	33
France	6	8	4
Italy	2	0	0
West Germany	3	1	2
Japan	4	5	5
Soviet Union	0	4	3
Austria	3	1	1
Africa	1	0	2
China	3	1	4
Spain	2	1	2
Other	22	27	24
TOTAL	209	204	226

Amusements Regulation Highlights 1986-1989

Licenses Issued	1986-87	1987-88	1988-89
Films and Theatres:			
Theatres	53	46	43
Projectionists	90	80	70
Apprentice projectionists	13	11	10
Projection machines	100	92	90
Film exchanges	42	52	68
Film certificates	609	1,293	1,490
Other Licenses:			
Itinerants	6	12	8
Racetracks (horse)	5	3	4
Festivals (outdoors)	4	5	3
Places of amusement	603	632	619
Video outlets	914	1,072	974
TOTAL	2,439	3,298	3,379

Eight new film theatre screens were licensed in Halifax by Famous Players at Park Lane. At the same time Scotia Square and Paramount Theatres were closed.